

Message Text

LIMITED OFFICIAL USE

PAGE 01 DUBLIN 02190 170754Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10
L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15 ICA-11
AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 LAB-04 SIL-01 OMB-01 STR-07 CEA-01 /101 W
-----055790 171412Z /44

R 141553Z JUL 78 ZDK
FM AMEMBASSY DUBLIN
TO SECSTATE WASHDC 0776
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY LONDON
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
AMEMBASSY THE HAGUE

LIMITED OFFICIAL USE DUBLIN 02190

USEEC ALSO FOR EMBASSY

E.O. 11652: N/A
TAGS: ECON, EFIN, EEC, EI
SUBJECT: IRISH REACTION TO BREMEN

REF: 77 DUBLIN 2056

1. SINCE THE IRISH PARLIAMENT ADJOURNED FOR THE
SUMMER A FORTNIGHT AGO PRIME MINISTER JACK LYNCH HAS
NOT BEEN REQUIRED TO MAKE ANY FORMAL STATEMENT ON THE
OUTCOME OF THE BREMEN TALKS, NOR HAS HE VOLUNTEERED
ONE. OPPOSITION SPOKESMEN HAVE, IN FACT, CALLED
FOR AN OFFICIAL ASSESSMENT. GOI OFFICIALS HAVE
PRIVATELY CONFIRMED TO US THEIR GENERAL SATISFACTION
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 DUBLIN 02190 170754Z

WITH THE FORCES SET IN MOTION AT BREMEN. TOPICS
OF CHIEF CONCERN TO THEM FOLLOW.

2. MONETARY SYSTEM: A KEY DEPARTMENT OF FOREIGN
AFFAIRS OFFICIAL WHO ACCOMPANIED LYNCH TO BREMEN
COMMENTED THAT THE IRISH WERE NOT "TERRIBLY
ENTHUSIASTIC" ABOUT THE STYLE OF PRE-BREMEN

CONSULTATION PRACTISED BY THE GERMANS AND FRENCH ON THEIR MONETARY PROPOSALS, AND THEY MADE THIS CLEAR DURING THE MEETINGS. THE IRISH ARE POSITIVELY DISPOSED TOWARDS THE OVERALL MONETARY CONCEPT PUT FORWARD, AND STRONGLY SUPPORT THE OBJECTIVE OF MONETARY STABILITY.

WITH RESPECT TO ANY PARTICULAR MONETARY MODEL, THEIR ADHERENCE WILL VERY MUCH DEPEND UPON ITS SPECIFIC ELEMENTS. FOR THE IRISH, UNLIKE EEC PARTNERS, THE QUESTION OF SURRENDERING A DEGREE OF SOVEREIGNTY IS NOT A MAJOR CONCERN, SINCE BY VIRTUE OF THE LINK WITH THE BRITISH POUND EXCHANGE RATES AND TO A LARGE DEGREE MONETARY POLICY AS A WHOLE ARE ALREADY DETERMINED OUTSIDE DUBLIN.

3. MONETARY LINK WITH BRITAIN - THE IMPLEMENTATION OF A NEW EUROPEAN MONETARY SYSTEM MIGHT POSE A DILEMMA FOR THE GOI BECAUSE OF THE HISTORIC AND IN MANY WAYS STILL ADVANTAGEOUS MONETARY LINK WITH THE UK. BRITISH ACQUIESCENCE IN A NEW SYSTEM WOULD GUARANTEE IRELAND'S. IF HMG SHOULD DECIDE AGAINST PARTICIPATION IN THE NEW SCHEME, HOWEVER, DUBLIN WOULD BE FORCED TO MAKE A DIFFICULT CHOICE. A BREAK WITH THE BRITISH POUND IS NOT A NEW IDEA -- IT HAS ARISEN PERIODICALLY OVER THE PAST HALF CENTURY. AS RECENTLY AS A YEAR AGO DEPARTMENT OF FINANCE OFFICIALS WERE BUSILY EXAMINING THIS OPTION. LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 DUBLIN 02190 170754Z

(SEE REFTEL FOR FURTHER BACKGROUND). BUT BRITISH REJECTION WOULD FORCE THE GOI TO CHOSE BETWEEN THE WELL ESTABLISHED MONETARY LINK WITH THEIR LARGEST SINGLE TRADE PARTNER -- ALMOST 50 PERCENT OF TOTAL TRADE IS STILL WITH THE UK -- AGAINST AN UNTRIED ONE WITH THEIR CONTINENTAL PARTNERS, WHO HAVE BEEN IRELAND'S FASTEST GROWING CUSTOMERS IN RECENT YEARS. IT IS DIFFICULT TO JUDGE HOW MUCH THE STRONG IRISH PREDISPOSITION TO PROMOTE MOVEMENT TOWARDS GREATER EUROPEAN UNITY WOULD INFLUENCE A DECISION OF THIS TYPE.

4. REGIONAL POLICY - THE IRISH BELIEVE THAT THE QUESTION OF REGIONAL DISPARITIES IS OF EVEN MORE FUNDAMENTAL IMPORTANCE THAN THE QUESTION OF EEC MONETARY UNION. LYNCH APPARENTLY RAISED HIS OFT-REPEATED CONCERNS ON THIS SUBJECT STRONGLY ENOUGH DURING THE DISCUSSIONS TO ELICIT AN INVITATION TO CONTRIBUTE LANGUAGE FOR THE PRESIDENCY'S CONCLUSIONS. THE IRISH WERE SATISFIED WITH THE RESULTING PHRASEOLOGY, BUT THEY ARE EAGER TO SEE SIGNS OF REAL ACTION IN THIS AREA.

5. MACRO POLICY - THE LYNCH GOVERNMENT HAS ESTABLISHED

VERY SPECIFIC AND AMBITIOUS GROWTH AND JOB CREATION
GOALS FOR THE MEDIUM TERM WHICH ARE ALMOST CERTAINLY
UNATTAINABLE WITHOUT A SIGNIFICANT IMPROVEMENT IN THE
ECONOMIES OF THEIR EEC PARTNERS. THUS THE IRISH HAVE
BEEN VERY ACTIVE IN URGING MORE STIMULATIVE ECONOMIC
POLICIES BY THEIR STRONGER EEC PARTNERS. IRISH DFA
OFFICIAL OBSERVED THAT THE GERMANS SEEMED TO BE
"HOLDING OUT" ON THIS SUBJECT FOR BONN, AND EXPRESSED
HOPE THAT SOME POLICY MODIFICATIONS MAY BE FORTHCOMING.
REND AHL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, GOVERNMENT REACTIONS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978DUBLIN02190
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780292-1040
Format: TEL
From: DUBLIN USEEC
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780760/aaaabyoo.tel
Line Count: 125
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 98139e73-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 DUBLIN 2056
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2010201
Secure: OPEN
Status: NATIVE
Subject: IRISH REACTION TO BREMEN
TAGS: ECON, EFIN, EI, EEC
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/98139e73-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014